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RUCNASE/ASEAN MEMBER COLLECTIVE

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E.O. 12958: N/A

TAGS: CN ECON EINV ENRG EPET MARR PREL VM

SUBJECT: ARRIVAL OF CHINA LETTER ADVISING POGO OIL TO CEASE OPERATIONS IN SOUTH CHINA SEA.

THIS CABLE IS SENSITIVE BUT UNCLASSIFIED. NOT FOR INTERNET.

¶1. (SBU) On September 8, the Consulate General of the People's Republic of China in Houston sent a letter to the U.S. oil firm, Pogo Producing Company advising Pogo to cease exploration drilling activities in Block 124 in the South China Sea. The Block 124 lies along Vietnam's south central coastline, approximately 50 kilometers south of Chevron's Block 122, also claimed by China. The Chinese Consulate sent the letter to Mr. Paul G. Van Wagenen, Chairman, President, and Chief Executive Officer of Pogo Producing Company. The letter, signed by Yao Wenliang, Commercial Consul of the Consulate General of the People's Republic of China in Houston, is reproduced here in its entirety and with original errors.

¶2. (SBU) BEGIN TEXT OF LETTER

Dear Sir,

The facts and figures on your website show that Pogo Producing Company currently has plans on Block 124 in South China Sea. It is also reported that Pogo Producing Company conducted a 3D seismic research with Vietnamese Gas and Oil Group in above said block in 2006, and the relevant data were transferred to Plains Exploration & Production Company.

We shall be grateful if you could kindly clarify the above mentioned report by a return fax.

We would also like to friendly remind that the block 124 belongs to South China Sea, which is a disputed waters between China and Vietnam. We would also like to ask your company not to conduct any exploring and developing activities in this disputed waters between China and Vietnam.

The Commerical Office of the Consulate General of the People's Republic of China in Houston is responsible for the promotion of business cooperation between China and the south of the US. Please feel free to call us if we could be of any assistance.

We look forward to your response soon.

Best wishes.

Yao Wenliang
Head of the Commercial Office
Consulate General of the People's Republic of China

END TEXT OF NOTE

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